

Funding the Future: Conservation Finance for Private Lands



The following examples have been prepared by the Action for Adaptation team to guide conversation during the second workshop.

The information presented has been taken from project websites and other publicly available information.

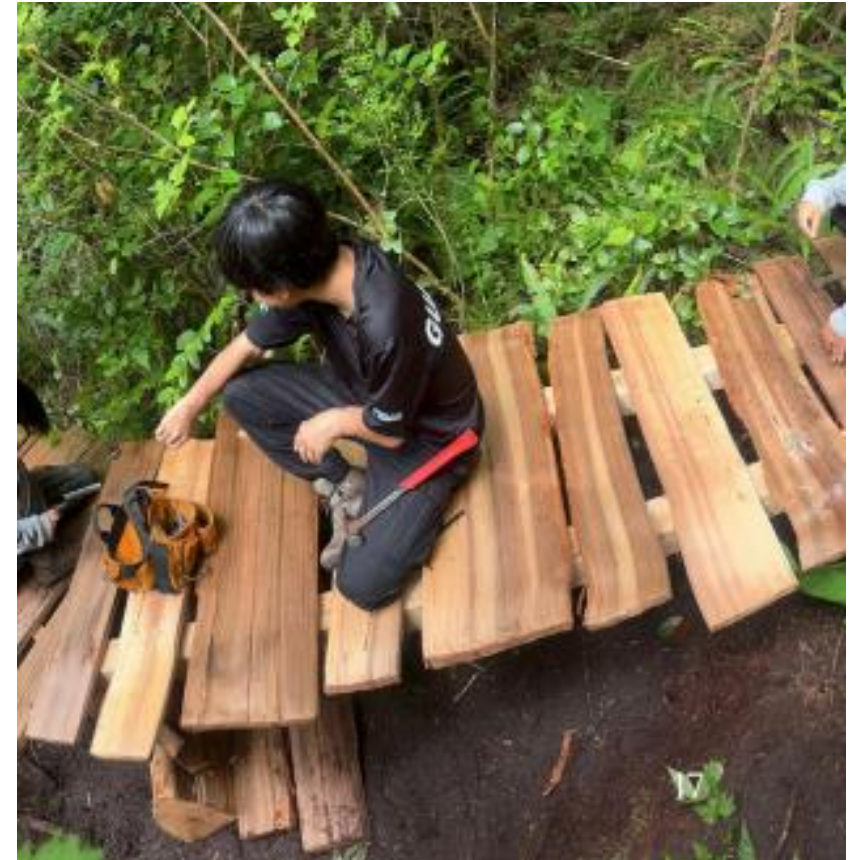


This gathering is taking place on the unceded territory of the ləkʷəŋən peoples, the [Songhees](#) and [Xwsepsum](#) Nations.

Tla-o-qui-at Tribal Parks Allies Ecosystem Fee



- In 2019 the Tla-o-qui-aht First Nation asked businesses if they would charge customers and ecosystem services fee of 1-2% on purchases to fund the Guardians program and the stewardship activities they complete.
- In 2019 four business participated contributing \$15,000/yr. The number of Allies/businesses has increased to 127 and they provided \$444,318 of funding in 2024.
- Funding from the Allies *‘provides long term financial stability, which is needed to establish a resilient and sustainable Tribal Parks Stewardship Program, unlike grants which are usually conditional and only provide short term boosts to funding’.*
- Tla-o-qui-aht Tribal Parks Allies have collectively contributed \$1,155,493 towards ensuring the ongoing health of the lands and water for generations to come.



West Vancouver Environmental Levy



- In 2022 the District of West Vancouver established an annual Environmental Levy of 1.5% (\$800,000/yr) on property tax, through - Environmental Reserve Fund bylaw.
- The need for additional funding to protect the natural environment was identified following the atmospheric river in 2021/2022 which damaged coastal structures and the completion of a natural asset inventory which highlighted the services the natural environment provides.
- Funding can be spent by the district or partners on:
 - a) Programs that support the protection of the natural environment;
 - b) Climate change response, mitigation, and adaptation;
 - c) Sustainability and protection of the District's natural capital assets; and
 - d) Reduction of Greenhouse Gas emissions.



<https://westvancouver.ca/government-administration/financial-information>

CRD Water User Rates



- The Capital Regional District (CRD) charges water users a fee per cubic metre of water. This funding is used to ensure a clean supply of drinking water to the region.
- One of the ways the CRD does this is by purchasing land within the watersheds of the water supply reservoirs. By managing activities in the watershed, it reduces the risk of pollutants entering the system and the need for expensive treatments.
- In 2025 the CRD are looking to purchase approx. 2 ha, for \$33.3 million, initially using debt, which is repaid by water users over a long period of time (\$14/yr/household).
- The protection of the watershed has other benefits including carbon storage / sequestration, protection of wildlife and culturally significant sites, enables rainfall infiltration reducing flood flows etc.

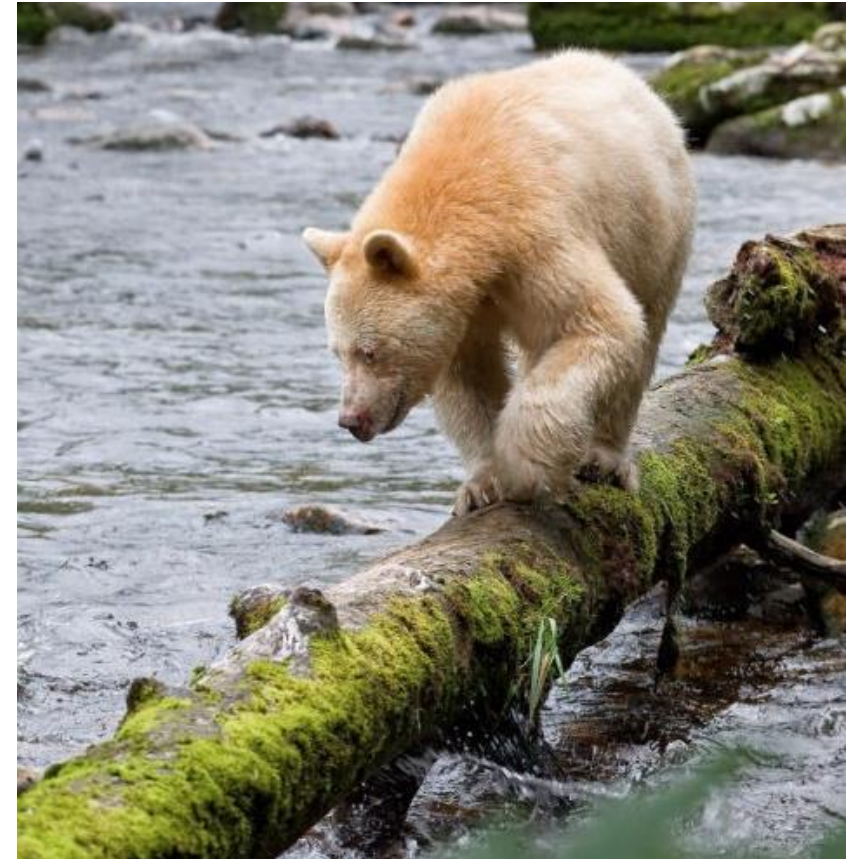


<https://www.crd.bc.ca/service/drinking-water/watershed-protection>

Coast Funds - Project Finance for Permanence



- In 2007 an Indigenous-led Conservation Finance organisation was established called Coast Funds. This included the development of Great Bear Forest Agreement which reduced logging to 85% of approximately 3 million hectares of temperate forest.
- Initial funding of \$120 million was also raised. Half by First Nations and philanthropic partners which was then matched by the provincial and federal government.
- The objective is to make investments that would ensure the long-term sustainability of funding and to manage the landscape in a different way.
- Funding is spent on environmental stewardship and economic development projects in the Great Bear Rainforest and Haida Gwaii, generating \$296 million of additional investment (2023).



Farmland Advantage – Government Grants / Local Conservation Fund



- The Farmland Advantage program works with farmers to enhance natural values on their land through a Payment for Ecosystem Services (PES) model.
- Farmland Advantage helps farmers identify the natural values on a farm that can be protected, restored, and enhanced.
- Once a site is selected and assessed funded actions may include establishing stream setbacks, building strategic fencing, undertaking reforestation, thinning and pruning tree stands, or removing debris to reduce wildfire fuels.
- IAF provides an annual compensation to farmers based on successful implementation and ongoing upkeep of the Farmland Advantage project.
- The program is funded by federal and provincial grants.



Langley Ecological Service Initiative – Payment for Ecosystem Services



Example of Municipal Government Grants

- From 2016-2018 the Township of Langley funded a pilot called the Ecological Service Initiative.
- The objective was to provide financial incentives for practices that led to a healthy stream ecosystem.
- Langley did this in recognition that the management of these areas can be costly for landowners, but they provide services to the wider community.
- The Township of Langley partnered with the Langley Sustainable Agriculture Foundation (LSAF) for delivery.
- This involved the delivery of activities to enhance the stream environment e.g. fencing and planting but also a payment for the protection of ecosystems services



Ecological Gifts Program – Income Tax Incentive



- The Ecological Gifts Program is provided by the federal government and is available to landowners who either donate their land to a Land Trust or who donate a legal interest in their land.
- The land transferred through this scheme can not be mortgaged or resold by the Land Trust so is protected in perpetuity.
- The Donors receive a tax receipt for the full value of the gift. The tax receipt can be applied against 100% of their net annual income.
- There are costs associated with these gifts e.g. surveying boundaries, ecological assessment etc. The Land Trust who receives the gift may be able to help raise fund to cover these costs.



<https://www.canada.ca/en/environment-climate-change/services/environmental-funding/ecological-gifts-program/overview.html>

Natural Area Protection Tax Exemption Program (NAPTEP)



- NAPTEP is a program where landowners receive an annual property tax exemption of 65% on the portion of land that has been registered as a conservation covenant.
- The program is tax neutral for the Islands Trust as the saving made by the individual with the covenant is spread over the remaining landowners.
- Therefore, wider society is paying for the stewardship of the natural environment which supports biodiversity, cultural heritage and provides resilience to climate change.
- The cost to establish the covenant and monitor its condition still need to be found by the Islands Trust Conservancy who typically hold the covenant.



Graeme Osbourne

Note: This program only applies to the Islands Trust area, to apply to the remainder of BC would require an amendments to statues.

<https://islandstrust.bc.ca/programs/natural-area-protection-tax-exemption-program/>

Forest Resilience Bond – Private Investment



- A financial model to engage with all the groups that benefit from a resilient forest to share the cost of a restoration project. Using capital from private and philanthropic investors to provide up front costs.
- In 2018 the Blue Forest - Forest Resilience Bond was launched raising initially \$4 million.

Example:

- Forest services identifies the need for works to reduce wildfire risk (thinning, controlled burn) but do not have the money in the short term.
- There would be other beneficiaries of the works such as the water authority; state government and a beverage company. Blue Forest forms an agreement with all beneficiaries to cover the costs in the long term, ensuring their resilience now.
- This forms the basis of the Forest Resilience Bond which is sold to financial institutions. This provides the funding immediately for contractors to complete the works (forest thinning).
- The beneficiaries (e.g. forest service) then repay the loan over time providing a return to the investors.
- This enables fire protection works to be completed now leading to savings in the future as the risk of wildfire is reduced.



Program Open Space Maryland – Property Transfer tax



- Program Open Space was established by the State of Maryland to provide open space for recreational use and to preserve natural areas that support rare species before unaffordable land prices or development make it impossible.
- This program was established in 1969 and is funded through the collection of property transfer tax (0.5%).
- The funding is administered by the Maryland Department of Natural Resources, and they are close to their target of protecting 30% of the state by 2030.
- The budget for FY2025 is \$45 million

Note: In BC property transfer tax could provide significant funding for the natural environment but it would require changes to statutes to occur, so low probability.



Town of Gibsons - Permissive Riparian Tax Exemption



- There are some circumstances where a local government can provide property owners with a permission tax exemption, which includes the protection of riparian areas.
- To bring in a Permissive Tax Exemption the municipality needs to establish a bylaw.
- To be eligible for a riparian tax exemption the land must be subject to a riparian covenant under the Land Title Act, and the municipality must be listed as the covenantee.
- The purpose would be to encourage private landowners to maintain healthy streams.
- Town of Gibson tried to use the tax exemption as an incentive for restoration of Charman Creek but there was low uptake due to the need for a covenant.



<https://www2.gov.bc.ca/gov/content/governments/local-governments/finance/requisition-taxation/tax-exemptions/permissive-tax-exemptions/municipal-partnering-heritage-riparian-other-special-tax-exemptions>

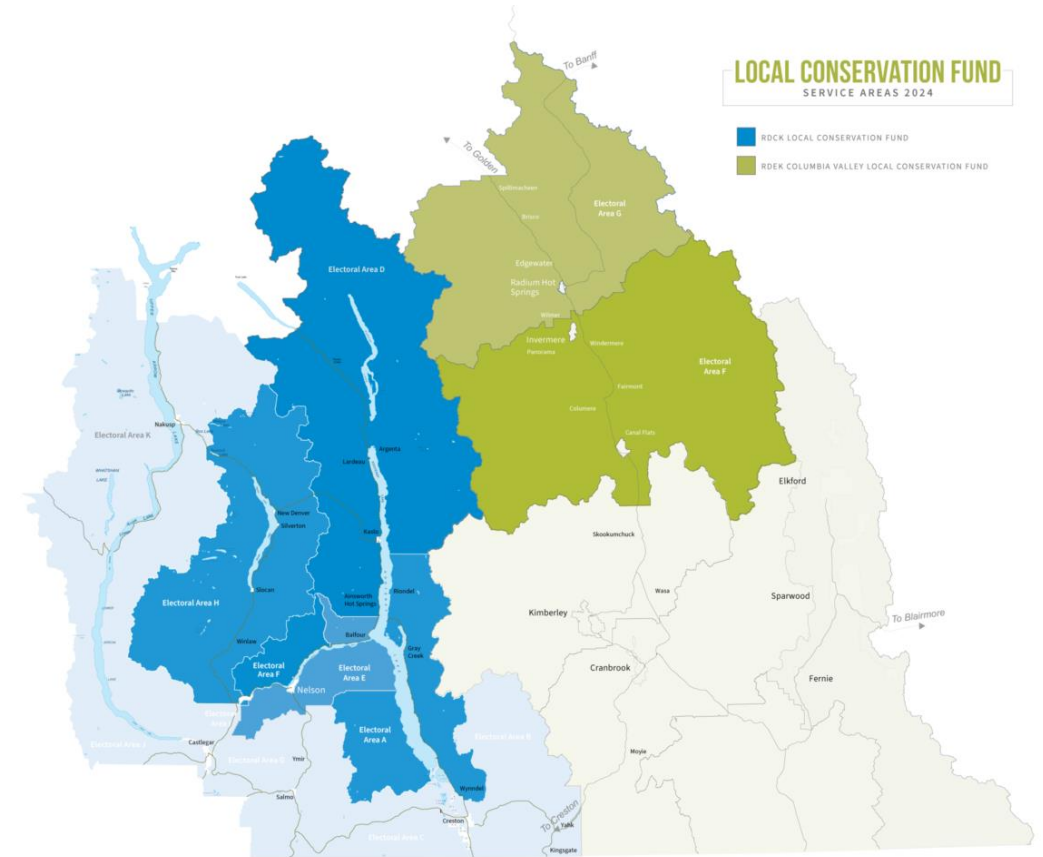


Local Conservation Fund – Property Tax

- A Local Conservation Fund is a local government service funded through a dedicated tax.

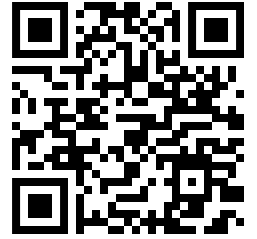
Example – Kootenay Lake Local Conservation Fund

- Established as subregional fund in 2014 and managed by the Regional District
- Established by assent vote (more recent funds have been established by alternative approvals)
- Property owners pay an annual parcel tax of \$15.
- Funding themes: conservation of water and aquatic systems, wildlife and habitat.
- Between 2016-2021, funded 37 grants totalling \$468,000.
- Leveraged nearly \$20 million in matching cash and in-kind contributions



<https://soconservationfund.ca/wp-content/uploads/2022/06/Conservation-Fund-Guide-3rd-Edition-2022-Web.pdf>

Verra Nature Framework – Biodiversity / Nature Credits



- New scheme launched in 2024.
- Stewardship project quantify the biodiversity outcomes achieved by their actions generating Nature Credits that can be sold to pay for the stewardship works e.g. restoration of a wetland.
- The intent is to incentivise investment in measurable conservation and restoration activities.
- Who buys the credits? – companies who rely on a healthy environment for their activities e.g. water companies.
- The Nature Credits can not be used to compensate for specific negative biodiversity impacts e.g. mitigation.
- The Nature Framework requires free, prior and informed consent from Indigenous Peoples and mutually agreed benefits-sharing mechanisms.

Note: this tool has only just established and the market for credits has not been confirmed.



<https://verra.org/verra-launches-nature-framework/>

Development Cost Charges and Amenity Cost Charges



Municipalities and regional districts levy development cost charges (DCC) on new developments to pay for infrastructure and facilities to service the demands of the new development.

Example – Metro Vancouver

- In 2025 Metro Vancouver will bring in a DCC to obtain funds for parkland acquisition until 2052.
- The municipalities will collect these funds at the point of subdivision approval or the building permit stage.
- Therefore, the developer pays for the loss of amenity space which may occur during development and aids Metro Vancouver achieve their objectives in their Climate 2050 Roadmap: Nature and Ecosystems:
 - Protect 50% of the region for nature
 - Achieve 40% tree canopy cover within the Urban Containment Boundary



<https://metrovancover.org/services/regional-parks/regional-parkland-acquisition-development-cost-charge>

Density Transfer



Density transfer, refers to the shifting of development intensity from one site to another with the aim of providing high density housing in areas with good services and removing density from areas of high natural value.

This tool can be applied in several ways:

- A financial transaction between a private landowner and a developer, where an OCP identifies donor and receiver sites. (Oak Bay)
- Landowner with multiple parcels moves density between them, reducing cost of development and increasing return on investment. (Denman Island)
- On Gabriola Island private landowners voluntarily gave up allocated density to enable affordable housing to be built in an area with limited water.

Note: to implement this tool the Official Community Plan needs to indicate that it can occur.

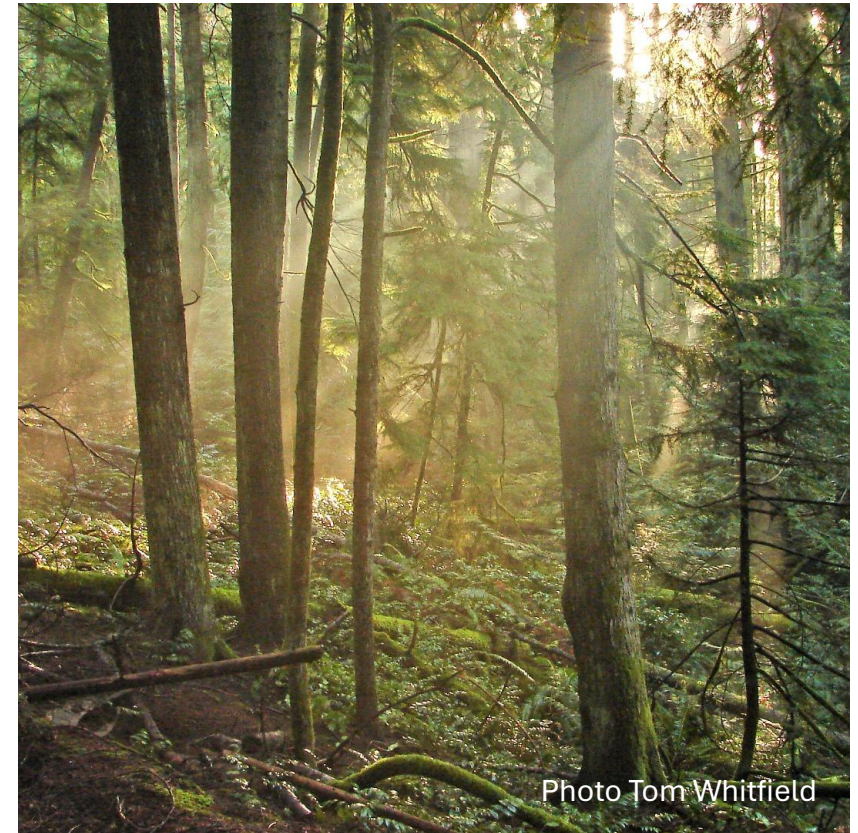


Photo Tom Whitfield